

116TH CONGRESS
1ST SESSION

H. R. 3939

To require the Board of Governors of the Federal Reserve System to carry out a quantitative impact study of any proposed real-time payment system under the Faster Payments Initiative before implementing such system.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2019

Mr. BUDD introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Board of Governors of the Federal Reserve System to carry out a quantitative impact study of any proposed real-time payment system under the Faster Payments Initiative before implementing such system.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. QUANTITATIVE IMPACT STUDY REQUIREMENT.**

4 (a) IN GENERAL.—The Board of Governors of the
5 Federal Reserve System may not take any steps to de-
6 velop, build, or otherwise implement any proposed real-
7 time payment system or any component thereof (including
8 a settlement service, liquidity management service, or aux-

1 iliary services) under the Faster Payments Initiative until
2 after the end of the 1-year period beginning on the date
3 that the Board of Governors issues a detailed report to
4 the Congress on a comprehensive study of the proposed
5 real-time payment system that includes a quantitative im-
6 pact component.

7 (b) CONTENTS OF STUDY.—The study described
8 under subsection (a) shall include the following:

9 (1) Any cybersecurity, privacy concerns, or
10 other risks associated with the Federal government
11 receiving and managing new transaction-level infor-
12 mation regarding millions of American citizens, in-
13 cluding a threat assessment.

14 (2) Whether the Board of Governors would be
15 subject to privacy and security laws and regulations
16 such as the Fair Credit Reporting Act and the
17 Gramm-Leach-Bliley Act, like other payment proc-
18 essors.

19 (3) Where customer information would be
20 stored.

21 (4) Who would oversee such information.

22 (5) Whether the Board of Governors would cre-
23 ate a database to view customer transactions.

24 (6) An analysis of whether the private sector
25 can provide the system or achieve the objectives of

1 the system with reasonable effectiveness, scope, and
2 equity.

3 (7) Whether the Board of Governors has con-
4 cluded that the private sector cannot achieve the ob-
5 jectives that the Board of Governors seeks to achieve
6 with the system.

7 (8) The potential adverse consequences to the
8 private sector in the short term and the long if the
9 Board of Governors offers the system.

10 (9) Whether the Board of Governors could
11 achieve the Board's objectives without offering the
12 system, but rather by making changes to its current
13 infrastructure, for example by expanding the oper-
14 ating hours of the National Settlement Service or
15 enhancing the Automated Clearing House's same-
16 day payment capabilities or modernizing the Auto-
17 mated Clearing House to serve as a backup to the
18 existing operating network.

19 (10) How the Board of Governors would col-
20 laborate with the private sector to ensure interoper-
21 ability.

22 (11) As a regulator of depository institutions
23 and their holding companies, how the Board of Gov-
24 ernors would ensure that the Board does not exert

1 undue influence over such institutions and holding
2 companies to use the system.

3 (12) How the Board of Governors would ensure
4 that the system would be available to all depository
5 institutions, including community banks, and credit
6 unions, in a manner that is not cost prohibitive.

7 (13) The estimate of the Board of Governors
8 for—

9 (A) how long it would take to build the in-
10 frastructure and begin operation of the system;

11 (B) how much the system would cost;

12 (C) the annual operating cost of the sys-
13 tem; and

14 (D) how long it would take for the Board
15 to recover the costs of building the system.

16 (14) A study of the quantitative impact of each
17 of the factors in paragraphs (1) through (13), as ap-
18 plicable.

○